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Heartland Patsy?

EPA Whistleblower Warns of Need for Awareness

by Lynn Moorer

Residents in the heartland are being made "patsies in a sophisticated con" so that major waste firms can turn the midlands into a dump site for the United States, according to an EPA official.

Not true, says director of Nebraska's Department of Environmental Control (DEC) Dennis Grams. "There is no con. That's 180 degrees off," Grams said, responding to assertions made by Hugh Kaufman of the Hazardous Waste Site Control Division in the federal Environmental Protection Agency.

But local citizens are concerned that the midlands have been targeted to be what Colorado Governor Roy Romer calls a "national sacrifice zone," an area so contaminated by hazardous waste that no attempt is made to clean it up.

Diane Burton of Auburn in Nemaha County wonders why else six proposals from out-of-state corporations to build waste facilities in Nebraska are now under consideration. "It seems we've won some sort of beauty contest in a big way."

She points to two medical waste incinerators proposed near Omaha's Eppley Airfield by Biowaste Services of Nebraska, two solid waste landfills proposed northwest of Omaha—one by Waste Management, Inc. and one by Browning-Ferris Industries, a hazardous waste incinerator and landfill proposed near Kimball by Waste-Tech Services Inc., and a nuclear waste disposal facility to be located by US Ecology in Nebraska at a site not yet determined. "Common sense says somebody has decided we're it," says Burton.

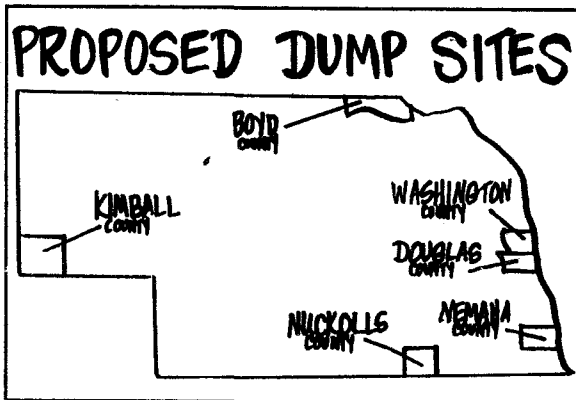
Superfund, Burford and Lavelle

Kaufman, who helped write the federal Superfund laws and was the EPA's chief investigator in the Love Canal case, has criticized his own agency for years. His whistleblowing led to the resignation of administrator Anne Burford, the conviction of assistant administrator for solid waste Rita Lavelle, and his current protected status through a court-ordered consent agreement which enables him to deviate from what he calls the administration's "party line."

The EPA calls Kaufman a "gadfly" who risks scaring people when he says the "heartland is being targeted as the new major dump area for the country."

Kaufman says waste firms have appar-

ently found patsies for their "liability transfer scam" in which taxpayers in rural areas foot the bill for damage caused by companies that have either gone out of business or are so powerful that local communities pose no contest in court, a possible allusion to the experience of the state of Illinois who sued US Ecology for almost \$97 million over their handling of a nuclear waste dump near Sheffield, Illinois. The suit resulted in



an \$8 million settlement and a requirement that US Ecology remain on site for ten years.

He says the "sophisticated flim-flam artists with glossy brochures and a cunning policy line" are not as successful in New York, California, New Jersey, and Indiana, "so they're looking for better patsy areas in Nebraska."

DEC Director Grams says he thought Kimball residents approached Waste-Tech about building the incinerator and landfill nearby. But Robert Larkin of rural Kimball says a Denver businessman first approached the Kimball city council about expressing interest in the project.

Rather than selecting potential dump areas for scientific or geologic reasons, Kaufman says it is a question of "political expediency." Two prime questions, he says, are: "Is the economy in the area bad so that the people are desperate for money?" and "is the public unsophisticated and susceptible to advertising claims that are a bunch of malarkey?"

Kaufman noted that the three proposed sites under consideration for the nuclear waste dump which will accept waste from at least four other states are located in counties designated by the U.S. Department of Interior as "mostly unsuitable" for siting a hazardous waste facility.

A leader in the 1988 citizen initiative effort to withdraw Nebraska from the Central Interstate Low-Level Radioactive Waste

Compact and to require voter approval before a nuclear waste dump could be constructed in the state says that if scientific or geologic reasons were actually of paramount importance in siting a facility, dump developer US Ecology would have undertaken a different strategy.

"Instead of first soliciting letters of interest from counties in an attempt to create competition for the dump, US Ecology should have screened the entire state for environmentally suitable areas and then sought interest among the resulting top sites," says Sam Welsch, a leader in Nebraskans for the Right to Vote. "What US Ecology conducted instead was a shrewdly designed marketing scheme intended to make its public relations job easier," Welsch says.

Coming up with a Silver Bullet

Kaufman says that PR firms "recognize that you can defeat any referendum or candidate if you can come up with the silver bullet and then have enough money to put that silver bullet on TV." The cost of going it alone was the "silver bullet," or convincing argument, for opponents of Nebraska's Initiative 402 campaign.

They didn't discuss the cost of not going it alone," Kaufman says. "Enough out-of-state money was able to flood the airwaves and produce slick literature with their single message, it didn't matter that the cost of hosting a nuclear dump for the whole country will be infinitely higher than going it alone."

The "silver bullet," Kaufman says, is found through market research. Such polling identifies reactions and opinions of local residents which could pose obstacles to building dumps, he says.

The studies can also generate profiles of people most likely to oppose projects and those least likely to oppose them. The California Waste Management Board commissioned a study in 1984 by Cerrell Associates, which was included in a related article in the *New York Times* 6/19/88, which, based on its own analysis and a variety of polls and academic research, yielded "least resistant" and "most resistant" profiles (see chart, p. 4).

A comparison of corresponding available data shows a close match between the Cerrell report's "least resistant" profile and Boyd, Nemaha, and Nuckolls counties, the three finalist sites for the nuclear dump.

Profiles of age, education and income characteristics of Nebraska's three finalist counties also match the Cerrell profile. Populations older than middle age were found to be less resistant than middle age and younger; median ages in all three counties (Boyd, 41.0; Nemaha, 32.9; Nuckolls, 36.8) exceeds both statewide median (29.7) and rural county median (32.1). Populations with high school graduation or less were found to be less resistant; in all three counties the percent of persons 25 years of age or older who graduated from high school (Boyd, 59.8; Nemaha 67.7; Nuckolls 68.0) is lower than the state average (73.4) and the rural county average (69.0). Likewise the percent of persons in all three counties who completed four years of college or more (Boyd 8.6; Nemaha 14.1; Nuckolls 9.3) is lower than the state average (15.5).

Populations with lower incomes were found to be more susceptible. The per capita income in all three counties (Boyd, \$4,542; Nemaha, \$6,423; Nuckolls, \$5,960) fell below the state average (\$6,936).

Nebraska Public Power District, which
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Jepsen: No Ties to King Chair of Credit Agency Has Checkered Career

by Lynn Mooror

The head of the federal agency charged with regulating Omaha's Franklin Community Credit Union has urged the Nebraska legislature to "go slow" in its investigation of the credit union's failure.

Roger Jepsen, National Credit Union Administration Board Chair, says that since the investigation may include indictments brought by a grand jury, he is concerned that nothing be done "to prejudice the case."

After the FBI notified the regulatory agency of fraud losses at Franklin totalling \$38 million, the NCUA joined in the November closing of the credit union and filed suit against Franklin's chief executive Lawrence E. King, Jr., and King's wife, Alice.

The special state legislative committee investigating the failure and related issues charges in its charter resolution that the NCUA "failed to comply with federal law by failing to require annual audits since 1984."

A federal inquiry is also planned. Rep. Doug Bereuter has called for a House investigation into "NCUA's failure to detect...unrecorded accounts" at Franklin.

Jepsen says NCUA examiners were on the scene monthly after Jan. 1, 1988, but that "any federal agency has to be well grounded before it takes action."

Vice-chair of the legislative committee Sen. Ernie Chambers of Omaha says that while the credit union's supervisory committee is responsible for undertaking audits, a NCUA threat to suspend or revoke the credit union's charter could have forced the

audits.

Jepsen says that the board of directors was composed of "first class leaders of the community. They were above and beyond, in my opinion. They were leading figures in Omaha."

Board members include Charles Hean-Baptiste, president of the credit union; James C. Hart, Jr., an Omaha assistant city prosecutor; Floyd Waterman, a UNO professor; the Rev. Stan Kessler of Dundee Presbyterian Church; Carnell Deason, a job placement employee with the Omaha School District; Helen Patterson, Heanne Rogers, Robert Jones, Glenn E. Mitchell Sr., and King, all of Omaha. Omaha Mayor Walt Calinger and his wife, Nancy, were both briefly on the credit union board last spring.

Jepsen said that he could not "be more direct and candid" in his comments about the board until "after it's over."

Although King has been active nationally in Republican political circles, throwing a lavish party at the 1988 GOP National Convention in New Orleans and singing the national anthem at the 1984 Dallas convention, Jepsen, former Republican U.S. senator from Iowa, says he has never met King.

A former marketing executive and insurance salesman, Jepsen has long been involved in Republican politics, running for office 14 times.

Appointed to head the NCUA in 1985, the one-term senator lost his Senate seat in 1984 to Tom Harkin despite political action committee money financing of more than \$850,000 which placed Jepsen among

the top ten recipients nationally in total PAC donations that year.

He also enjoyed significant funding support from prominent state Republicans who, in 1981, began contributing \$250 annually as a part of a "four-year plan" to re-elect Jepsen.

Characterized by his wife Dee as formerly "ambitious and aggressive," Jepsen rose through the "hardball world" of Iowa Republican politics, winning seats as county supervisor, state senator, and lieutenant governor. He considered running for governor before being elected to the U.S. Senate in 1978.

According to his wife, Jepsen had a "born again" religious experience in 1977. His subsequent senatorial races were aided by the key strategic involvement of Dee who said "If politics is dirty, it's because people without more values have not gotten involved."

Jepsen's service in the Senate brought acclaim from former Republican State Chair Rolf Craft, who said, "He served well."

However, some of his stands in the Senate were assailed as "repressive." He was characterized in 1981 by Playboy magazine as "a creature of the new right: and, in 1982 in "Washington Monthly," as one of the Senate's worst members.

Jepsen also invoked criticism in 1981 for switching his vote on the sale of AWACS planes to Saudi Arabia at the last minute--helping give the Administration a narrow victory authorizing the sale--while collecting speaking fees totalling \$11,000 that year from military contractors involved in construction of the planes.

Jepsen's re-election bid also suffered from well-publicized embarrassments including a visit to a sex club north of Des Moines.

NCUA's suit accuses King of diverting money from Franklin Credit Union for personal and business purposes. Allegations of child sexual and physical abuse are also being investigated.

The credit union drew support from political, business, and religious circles. A videotape promoting Franklin has been found which ties Omaha business and political leaders to the credit union. The tape also includes a testimonial by the pastor of a New York City church praising King for the "Franklin model" of one-on-one credit counseling. Within days of the credit union's closing World-Herald CEO Harold W. Andersen, Peter Kiewit Foundation's executive secretary Lyn Wallin Ziegenbein, and US West Communications vice president/CEO for Nebraska Ken Power all lauded the financial institution and said it should be maintained.

Asked to comment on any possible actions that might prevent the type of fraud alleged at Franklin, Jepsen said, "No one in his right mind can say he can prevent a recurrence of that sort of thing." He said, however, that new regulations were implemented in December limiting the amount of non-member deposits allowed.

Sen. Chambers says that, in addition to the NCUA, the investigation will include examination of the board of directors and the advisory board and will consider "whether...political strings from Washington may have been pulled by some powerful people."

Socially Responsible Shopping

by Skip Laitner

The author is an economist and partner in the Lincoln-based firm, Economic Research Associates.

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Business ethics and oxymoron?

It was four years ago that Union Carbide's pesticide plant in Bhopal, India unleashed a deadly plume of poisonous gas.

More than 3,000 people died immediately in the disaster. Hundred of thousands more were injured. As many as 300 people continue to die each year from the poisoning.

Despite an obvious link between the poisonous release of the gas and the thousands of injuries, Union Carbide has yet to pay a single dollar to its victims.

While Union Carbide has still to compensate any of the people of Bhopal, it has found sufficient resources to pour millions of dollars into legal fees--all to avoid investigation and a fair settlement.

The legal maneuverings may be good behavior we should expect from American businesses? Is this "Liberty and Justice for All?"

The real question is: "If we permit the Union Carbides of the world to avoid the

payment for damages it caused--all in the name of good business--will that be a signal to other corporations that money spent on environmental safety is money wasted?"

Fortunately there seems to be an evolving corporate conscience, one that includes more than a bottom-line perspective.

A good example of an emerging corporate conscience is the firm of S.C. Johnson & Son, makers of Agree Shampoo, Lemon Pledge and other household products. S.C. Johnson was the first corporation to ban the use of chlorofluorocarbons, or CFC's. These are the familiar refrigerants and aerosol propellants that have been causing damage to the earth's ozone layer.

Folgers also pays 50 percent of employee daycare costs and it has significantly reduced its animal testing programs. Moreover, the company contributes more than one percent of net pre-tax earnings to charity.

Jimmy Dean, as well as the makers of L'eggs, Ivory Soap and Lilt also have decent corporate records. And all of them seem to be saying that a growing corporate conscience can be mixed with good business

practices.

But it's not enough to point out these examples. As consumers and shoppers we need to register an economic vote by purchasing the products of our more responsible corporate citizens. A brand new shoppers guide can help in that effort.

The Council on Economic Priorities (CEP) has just released a handy little "quick and easy guide to socially responsible supermarket shopping." It's called SHOPping for a Better World.

The guide is a listing that rates the makers of 1300 brand name products on 10 social issues. As the booklet notes, "when you switch from one brand to another, companies hear you clearly."

The shoppers' guide can be purchased from CEP for \$4.95. You can write them at 30 Irving Place, New York, NY 10003. Or call 1-8-U-CAN-HELP.

Lest we forget, for people who want to help the people of Bhopal in their battle against corporate abuse, they should contact the Bhopal Action Resource Center. This is an excellent information resource on the Bhopal initiative. Write the Center at 777 United Nations Plaza, Suite 9A, New York, NY 10017.